

1 Pamela M. Egan, WSBA No. 54736 (*pro hac vice*)
2 POTOMAC LAW GROUP PLLC
3 1905 7th Ave. W
4 Seattle, WA 98119
5 Telephone: (415) 297-0132
6 Email: pegan@potomacclaw.com
7 *Attorneys for Mark D. Waldron, Chapter 11 Trustee*

8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

In re:

GIGA WATT, Inc., a Washington
corporation,

Debtor.

Case No. 18-03197 FPC 11

The Honorable Frederick P. Corbit

Chapter 11

**CHAPTER 11 TRUSTEE'S MOTION
FOR ORDER APPROVING SALE
OF EQUIPMENT FREE AND
CLEAR OF ALL LIENS, CLAIMS
AND INTERESTS, APPROVING
NOTICE THEREOF AND
RELATED RELIEF**

Telephonic Hearing

Date: April 9, 2020

Time: 10:30 a.m. PT

Telephone: 877-402-9753

Access Code: 3001392

Mark D. Waldron, in his official capacity as the Chapter 11 Trustee (the
“**Trustee**”), hereby moves (the “**Motion**”) the Court pursuant to 11 U.S.C.
§§ 105, 363, Federal Rules of Bankruptcy Procedure 2002, 6004, 9014 and LBRs

Chapter 11 Trustee's Motion for Order Approving Sale of Equipment Free and
Clear of all Liens, Claims and Interests, etc. - Page 1

2002-1 and 6004-1 for an Order, a proposed form of which is attached hereto as **Exhibit A**, approving the sale (the “**Sale**”) of the Debtor’s property that is located on the Debtor’s former site known as “Pangborn” (the “**Pangborn Equipment**”) and the sale of other equipment that is located at the Debtor’s facilities in Moses Lake, Washington and East Wenatchee, Washington (the “**Other Equipment**”), free and clear of all liens, claims and interests, pursuant to that certain Pangborn and Other Equipment Sale Agreement (the “**Sale Agreement**”), a copy of which is attached hereto as **Exhibit B**. The material terms of the Sale Agreement are as follows:

	Description	Agreement	Order
Buyer	Gib Compute LLC (“ Gib ”) or successful overbidder	Preamble	¶¶ 1, 4, 5
Price	\$175,000 cash, subject to overbidding	§ 4	¶¶ 1, 4, 5
Deposit	Buyer will pay to the Estate a refundable deposit in the amount of \$17,500 (the “ Earnest Money Deposit ”). Upon Sale approval, Earnest Money Deposit applied to Purchase Price In the event Sale is not approved, Trustee to return Earnest Money Deposit	§ 6	
Assets Sold	Electrical equipment	Schedule 1 to the Sale Agreement	¶ 1

	Description	Agreement	Order
Delivery	<p>Seller completes delivery by making equipment available to Buyer at their current locations</p> <p>Buyer assumes all responsibility, expense and risk of moving purchased equipment by May 4, 2020</p> <p>Buyer need not take all equipment; but Purchase Price does not reduce if not all equipment taken</p>	§ 9	
Warranties	Property sold “As Is”; Buyer not relying on Trustee’s equipment inventory; Buyer relying on own inventory	§ 11	¶ 1
Overbidding	<p>Subject to overbidding:</p> <ul style="list-style-type: none"> First overbid increment: \$10,000 Subsequent overbid increment: \$5,000 Gib may participate in overbidding 	§ 10	¶¶ 4, 5
Break-Up Fee	If party other than Gib wins bidding, Gib receives break-up fee of three percent (3%) of final purchase price	§ 10	¶¶ 4, 5
Conditions	<p>Court approval of sale free and clear of all liens, claims and interest</p> <p>Court finding that Sale is in good faith; waiver of Rule 6004(h)</p> <p>Entry of Approval Order by April 13, 2020</p>	§ 5	¶¶ 2, 6

1 Notice of the proposed sale (the “**Notice of Sale**”), in substantially the form
2 attached hereto as **Exhibit C**, will be served upon the Master Mailing List and all
3 parties who have contacted the Trustee regarding equipment purchase.

4 This Motion is supported by the *Memorandum of Points and Authorities in*
5 *Support of the Chapter 11 Trustee’s Motion for Order Approving Sale of*
6 *Equipment Free and Clear of All Liens, Claims and Interests, Approval of Notice*
7 *Thereof and Related Relief* and the *Declaration of Mark D. Waldron in Support of*
8 *the Chapter 11 Trustee’s Motion for Order Approving Sale of Equipment Free*
9 *and Clear of all Liens, Claims and Interests, Approval of Notice Thereof and*
10 *Related Relief*, filed herewith.

11 WHEREFORE, the Trustee respectfully requests entry of an Order:

- 12 1. Granting the Motion;
- 13 2. Approving the Sale Agreement in its entirety;
- 14 3. Approving the Sale free and clear of all liens, claims and interests
- 15 4. Approving the form and manner of service of the Notice of Sale;
- 16 5. Finding that the Sale Agreement is entered into in good faith and
17 waiving the 14-day stay set forth in Fed.R.Bank.P. 6004(h); and
- 18 6. Granting such other and further relief as the Court deems necessary
19 and just.

20 Dated: March 30, 2020

POTOMAC LAW GROUP PLLC

21 By: /s/ Pamela M. Egan
22 Pamela M. Egan (WSBA No. 54736)

23 *Attorneys for Mark D. Waldron, Chapter 11*
Trustee

24 Chapter 11 Trustee’s Motion for Order Approving Sale of Equipment Free and
25 Clear of all Liens, Claims and Interests, etc. - Page 4